



United States Department of Agriculture  
Rural Development



Iowa Single Family Housing Program Update  
April 13, 2015

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## Financing Available for Home Loans

Currently USDA Rural Development in Iowa has \$10 million available for home loan purchases through the Direct Home Loan Program. The direct program offers 100% financing, a 33 year loan term, and payment assistance for eligible applicants. This funding will remain on a first come first served basis through September 30, 2015.

Recently a family of seven was living in a rental property that was not suitable for occupancy. They made an offer on a home that was move-in ready. USDA Rural Development received their purchase agreement on March 19. Their loan closed and the family moved into their new home on April 7. The family is ecstatic with their improved living conditions, and their house payment is \$80 less than what they were paying for rent.

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## Program Changes and Updates

New Income Limits were effective April 1, 2015. Please visit <http://www.rd.usda.gov/files/RD-DirectLimitMap.pdf> and click on Iowa for a listing of income limits by county.

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## Application Tips

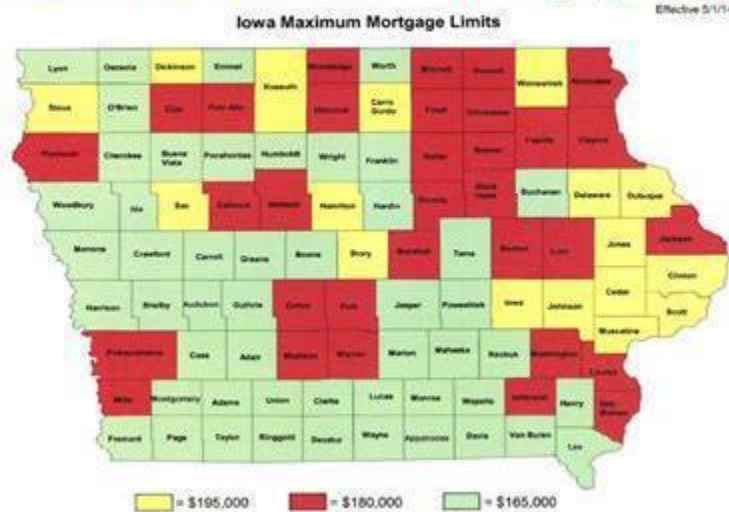
- **Annual Income:** defined as all income in the household. This is used to determine an applicant's eligibility for assistance.
- **Credit:** Applicant's overall credit record must demonstrate an ability and willingness to repay obligations when they are due. Common indicators of unacceptable credit are little or no credit history, late payments within the past 12 months on installment and revolving accounts, late rent payments, outstanding collections or judgments, or debt settlements, write-offs and bankruptcy within the past 36 months. Encourage your clients to contact USDA Rural Development for a pre-qualification review at 515-284-4444, or [directia@ia.usda.gov](mailto:directia@ia.usda.gov).
- **Repairs:** The preferred method of addressing repairs identified by the buyer or identified by the buyer's inspector, is for the seller to agree to complete the repairs prior to closing. Documentation on all agreed to repairs must be provided, and the buyer must

provide acceptance of the completed work prior to closing. Repairs can also be included in the loan if necessary, and the work would be completed after closing.

- **Repayment Income:** defined as income available from note signors to make loan payments. It must be stable and dependable.
- **502 Direct Maximum Mortgage Limits:** The map belows shows the maximum loan limit for each county in Iowa.

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## 502 Direct Maximum Mortgage Limits



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## Home Repair Program

The next time you help someone identify resources for making essential home repairs or safety improvement consider USDA Rural Development.

If you know of someone who owns a house in need of essential repairs such as a new furnace, roof, siding, or accessibility improvements, USDA Rural Development may be able to assist in financing those needed repairs with a low-interest loan, or grant. Loans have a fixed interest rate as low as one percent and typically may be repaid over a term of 20 years. Grants are available to help applicants who are 62 or older and cannot repay a loan.

Examples of eligible home repair projects include, but are not limited to, repair/replacement of storm doors, windows, steps, furnaces, water heaters or roofs. Funds can also be used for insulation, electrical, plumbing, septic and water systems, and to provide accessibility for persons with disabilities. Homes repaired with these funds must be located in communities of less than 20,000 people or in rural areas.

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## Guaranteed Housing Loan Program

Regulations have recently changed in our Guaranteed Rural Housing Loan Program. Under the Guaranteed program applicants apply with an approved lender and the lender makes the loan

decision. The program provides 100% financing for a home loan. Plenty of funding is available in this program.

A few of the more significant changes are:

- Properties containing non income producing outbuildings are eligible.
- Homes with in-ground swimming pools are eligible.
- Applicants can own more than one home, but must occupy the home they are applying for as a primary residence. The commuting area consideration has been removed.
- Acquisition and relocation of an existing dwelling is allowed.
- Seller concessions are limited to 6%.
- If any portion of an existing dwelling is in a flood zone flood insurance is mandatory. An elevation certificate is no longer required.

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## Contact USDA Rural Development Today

USDA Rural Development's Direct Home Loan Program Contact Information

Email: [DirectIA@ia.usda.gov](mailto:DirectIA@ia.usda.gov)

Central phone: (515) 284-4444

Central fax: (855) 415-3562

Mailing address: USDA Rural Development

210 Walnut Street, Room 873

Des Moines, Iowa 50309

Please send an email to [DirectIA@ia.usda.gov](mailto:DirectIA@ia.usda.gov) to be removed from our mailing list or if you have any questions about the Direct Home Loan Program.

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### [Contact Us](#)

210 Walnut Street,

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Des Moines, IA 50309

(515) 284-4663

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